



3013 (02-09-04)

ANNUAL REPORT

OF

Name: SOUTH MILWAUKEE WATER UTILITY

Principal Office: P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

For the Year Ended: DECEMBER 31, 1998

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: SOUTH MILWAUKEE WATER UTILITY

Utility Address: P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

When was utility organized? 1/1/1898

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: MS RUTH WISNIEWSKI

Title: SUPERINTENDENT

Office Address:

P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

Telephone: (414) 768 - 8070

Fax Number: (414) 768 - 8074

E-mail Address: wisniews@ci.south-milwaukee.wi.us

Individual or firm, if other than utility employee, preparing this report:

Name: MRS RENEE MESSING

Title: CPA

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP

20800 SWENSON DR., SUITE 200

P.O. BOX 867

WAUKESHA, WI 53187-0867

Telephone: (414) 798 - 8900

Fax Number: (414) 798 - 8977

E-mail Address: rmessing@virchowkrause.com

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: MRS RENEE MESSING

Title: CPA

Office Address: VIRCHOW, KRAUSE & COMPANY, LLP

20800 SWENSON DR., SUITE 200

P.O. BOX 867

WAUKESHA, WI 53187-0867

Telephone: (414) 798 - 8900

Fax Number: (414) 798 - 8977

E-mail Address: rmessing@virchowkrause.com

Date of most recent audit report: 12/31/1998

Period covered by most recent audit: 01/01/98 -12/31/98

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MS RUTH WISNIEWSKI

Title: SUPERINTENDENT

Office Address:

P.O. BOX 130
SOUTH MILWAUKEE, WI 53172

Telephone: (414) 768 - 8070

Fax Number: (414) 768 - 8074

E-mail Address: wisnews@ci.south-milwaukee.wi.us

Name of utility commission/committee:

Names of members of utility commission/committee:

- MR DAN KOJIS, SECRETARY
 - MR FRED MANTEY
 - MR RUDY MESZAROS
 - MR MARK SCHAUS
 - MR JOHN SKORUPSKI, PRESIDENT
-

Is sewer service rendered by the utility? NO

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? NO

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	1,647,969	1,612,333	1
Operating Expenses:			
Operation and Maintenance Expense (401-402)	996,078	1,015,624	2
Depreciation Expense (403)	172,143	166,718	3
Amortization Expense (404-407)	0	0	4
Taxes (408)	198,199	225,088	5
Total Operating Expenses	1,366,420	1,407,430	
Net Operating Income	281,549	204,903	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	281,549	204,903	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Income from Nonutility Operations (417)	0	0	8
Nonoperating Rental Income (418)	0	0	9
Interest and Dividend Income (419)	119,642	40,321	10
Miscellaneous Nonoperating Income (421)	0	0	11
Total Other Income	119,642	40,321	
Total Income	401,191	245,224	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	12
Other Income Deductions (426)	0	0	13
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	401,191	245,224	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	14
Amortization of Debt Discount and Expense (428)	8,795	14,029	15
Amortization of Premium on Debt--Cr. (429)	0	0	16
Interest on Debt to Municipality (430)	141,025	88,053	17
Other Interest Expense (431)	0	0	18
Interest Charged to Construction--Cr. (432)	0	0	19
Total Interest Charges	149,820	102,082	
Net Income	251,371	143,142	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	2,766,742	2,623,600	20
Balance Transferred from Income (433)	251,371	143,142	21
Miscellaneous Credits to Surplus (434)	0	0	22
Miscellaneous Debits to Surplus--Debit (435)	0	0	23
Appropriations of Surplus--Debit (436)	0	0	24
Appropriations of Income to Municipal Funds--Debit (439)	0	0	25
Total Unappropriated Earned Surplus End of Year (216)	3,018,113	2,766,742	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
 2. Nonregulated sewer income should be reported as Income from Nonutility Operations, Account 417.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Income from Nonutility Operations (417):		
NONE		3
Total (Acct. 417):	0	
Nonoperating Rental Income (418):		
NONE		4
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
Investment income	119,642	5
Total (Acct. 419):	119,642	
Miscellaneous Nonoperating Income (421):		
NONE		6
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		7
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		8
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		9
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		10
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		11
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		12
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	1,647,969	0	0	0	1,647,969	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents	0	0		0	0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	1,647,969	0	0	0	1,647,969	

DISTRIBUTION OF TOTAL PAYROLL

1. Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
2. The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
3. Provide additional information in the schedule footnotes when necessary.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	528,549		528,549	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses	42,679		42,679	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts	22,044		22,044	8
Electric utility plant accounts			0	9
Gas utility plant accounts			0	10
Heating utility plant accounts			0	11
Sewer utility plant accounts			0	12
Accum. prov. for depreciation of water plant			0	13
Accum. prov. for depreciation of electric plant			0	14
Accum. prov. for depreciation of gas plant			0	15
Accum. prov. for depreciation of heating plant			0	16
Accum. prov. for depreciation of sewer plant			0	17
Clearing accounts			0	18
All other accounts			0	19
Total Payroll	593,272	0	593,272	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (101-107)	8,954,730	8,083,353	1
Less: Accumulated Provision for Depreciation and Amortization (111-116)	2,729,092	2,553,099	2
Net Utility Plant	6,225,638	5,530,254	
Utility Plant Acquisition Adjustments (117-118)			3
Other Utility Plant Adjustments (119)			4
Total Net Utility Plant	6,225,638	5,530,254	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	5
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	6
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	7
Other Investments (124)	0	0	8
Special Funds (125-128)	1,471,121	1,974,922	9
Total Other Property and Investments	1,471,121	1,974,922	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	439,062	557,955	10
Special Deposits (132-134)	0	0	11
Working Funds (135)			12
Temporary Cash Investments (136)			13
Notes Receivable (141)	0	0	14
Customer Accounts Receivable (142)	106,435	96,713	15
Other Accounts Receivable (143)	159,710	137,325	16
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	17
Receivables from Municipality (145)	75,285	64,054	18
Materials and Supplies (151-163)	43,499	50,780	19
Prepayments (165)	517	5,186	20
Interest and Dividends Receivable (171)	1,623	6,860	21
Accrued Utility Revenues (173)	247,258	236,789	22
Miscellaneous Current and Accrued Assets (174)			23
Total Current and Accrued Assets	1,073,389	1,155,662	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	4,870	6,609	24
Other Deferred Debits (182-186)	39,762	43,868	25
Total Deferred Debits	44,632	50,477	
Total Assets and Other Debits	8,814,780	8,711,315	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	508,011	508,011	26
Appropriated Earned Surplus (215)			27
Unappropriated Earned Surplus (216)	3,018,113	2,766,742	28
Total Proprietary Capital	3,526,124	3,274,753	
LONG-TERM DEBT			
Bonds (221-222)	0	0	29
Advances from Municipality (223)	2,915,000	3,165,000	30
Other Long-Term Debt (224)	0	0	31
Total Long-Term Debt	2,915,000	3,165,000	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	32
Accounts Payable (232)	114,088	71,098	33
Payables to Municipality (233)	254,168	260,307	34
Customer Deposits (235)			35
Taxes Accrued (236)	0	0	36
Interest Accrued (237)	15,344	20,562	37
Matured Long-Term Debt (239)			38
Matured Interest (240)			39
Tax Collections Payable (241)			40
Miscellaneous Current and Accrued Liabilities (242)	23,172		41
Total Current and Accrued Liabilities	406,772	351,967	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	42
Customer Advances for Construction (252)			43
Other Deferred Credits (253)	124,224	132,673	44
Total Deferred Credits	124,224	132,673	
OPERATING RESERVES			
Property Insurance Reserve (261)			45
Injuries and Damages Reserve (262)			46
Pensions and Benefits Reserve (263)			47
Miscellaneous Operating Reserves (265)			48
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	1,842,660	1,786,922	49
Total Liabilities and Other Credits	8,814,780	8,711,315	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (101)	8,340,684	0	0	0	1
Utility Plant Purchased or Sold (102)					2
Utility Plant in Process of Reclassification (103)					3
Utility Plant Leased to Others (104)					4
Property Held for Future Use (105)					5
Completed Construction not Classified (106)					6
Construction Work in Progress (107)	614,046				7
Total Utility Plant	8,954,730	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (111)	2,729,092	0	0	0	8
Accumulated Provision for Depreciation of Utility Plant Leased to Others (112)					9
Accumulated Provision for Depreciation of Property Held for Future Use (113)					10
Accumulated Provision for Amortization of Utility Plant in Service (114)					11
Accumulated Provision for Amortization of Utility Plant Leased to Others (115)					12
Accumulated Provision for Amortization of Property Held for Future Use (116)					13
Total Accumulated Provision	2,729,092	0	0	0	
Net Utility Plant	6,225,638	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	2,553,099				2,553,099	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	172,143				172,143	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	12,971				12,971	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage	301				301	10
Other credits (specify):						11
					0	12
Total credits	185,415	0	0	0	185,415	13
Debits during year						14
Book cost of plant retired	9,422				9,422	15
Cost of removal	0				0	16
Other debits (specify):						17
					0	18
Total debits	9,422	0	0	0	9,422	19
Balance End of Year	2,729,092	0	0	0	2,729,092	20
						21
						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)
Balance first of year	0 1
Additions:	
Provision for uncollectibles during year	2
Collection of accounts previously written off: Utility Customers	3
Collection of accounts previously written off: Others	4
Total Additions	<u>0</u>
Deductions:	
Accounts written off during the year: Utility Customers	5
Accounts written off during the year: Others	6
Total accounts written off	<u>0</u>
Balance end of year	<u><u>0</u></u>

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel (151)					0	0
Fuel stock expenses (152)					0	0
Plant mat. & oper. sup. (154)					0	0
Total Electric Utility					0	0

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0
Water utility (154)	43,499	50,780
Sewer utility (154)		0
Heating utility (154)		0
Gas utility (154)		0
Merchandise (155)		0
Other materials & supplies (156)		0
Stores expense (163)		0
Total Materials and Supplies	43,499	50,780

**UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT
(ACCTS. 181 AND 251)**

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
1994 ADVANCE FROM CITY	1,739	428	4,870	1
1997 ADVANCE FROM THE CITY	7,056	428	0	2
Total			<u><u>4,870</u></u>	
Unamortized premium on debt (251)				
NONE	0	0	0	3
Total			<u><u>0</u></u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	508,011	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>508,011</u></u>	

BONDS (ACCTS. 221 AND 222)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
Total Reacquired Bonds (Account 222)				0
				1
			Net amount of bonds outstanding December 31:	0

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances (223)					
1994 ADVANCE FROM CITY	05/01/1994	10/01/2004	4.85%	855,000	1
1997 ADVANCE FROM CITY	12/15/1997	12/01/2007	4.33%	1,800,000	2
1990 ADVANCE FROM CITY	12/28/1990	12/01/2000	6.80%	260,000	3
Total for Account 223				<u>2,915,000</u>	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	198,199	2
Charged electric department expense		3
Charged sewer department expense	8,634	4
Other (explain):		
NONE		5
Total Accruals and other credits	206,833	
Taxes paid during year:		
County, state and local taxes	175,000	6
Social Security taxes	43,181	7
PSC Remainder Assessment	2,933	8
Other (explain):		
Adjustment for prior year overpayment	(14,281)	9
Total payments and other debits	206,833	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
1990 ADVANCE FROM CITY	2,026	23,638	24,310	1,354	2
1994 ADVANCE FROM CITY	12,187	44,250	45,750	10,687	3
1997 ADVANCE FROM CITY	6,349	73,137	76,183	3,303	4
Subtotal	20,562	141,025	146,243	15,344	
Other Long-Term Debt (224)					
NONE	0			0	5
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	6
Subtotal	0	0	0	0	
Total	20,562	141,025	146,243	15,344	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	1,786,922	0	0	0	0	1,786,922	1
Add credits during year:							
For Services	5,137					5,137	2
For Mains	40,438					40,438	3
Other (specify):							
For Hydrants	10,163					10,163	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	1,842,660	0	0	0	0	1,842,660	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Sinking Funds (125):		
NONE		3
Total (Acct. 125):	0	
Depreciation Fund (126):		
NONE		4
Total (Acct. 126):	0	
Other Special Funds (128):		
Construction Fund	1,442,388	5
Contingency Fund	28,733	6
Total (Acct. 128):	1,471,121	
Interest Special Deposits (132):		
NONE		7
Total (Acct. 132):	0	
Other Special Deposits (134):		
NONE		8
Total (Acct. 134):	0	
Notes Receivable (141):		
NONE		9
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	106,435	10
Electric		11
Sewer (Regulated)		12
Other (specify):		
NONE		13
Total (Acct. 142):	106,435	
Other Accounts Receivable (143):		
Sewer (Non-regulated)	147,519	14
Merchandising, jobbing and contract work		15
Other (specify):		

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Other Accounts Receivable (143):		
Miscellaneous service charges	12,191	16
Total (Acct. 143):	159,710	
Receivables from Municipality (145):		
Due from City - Delinquent charges on tax roll	75,285	17
Total (Acct. 145):	75,285	
Prepayments (165):		
Meter sheets and billing cards	517	18
Total (Acct. 165):	517	
Extraordinary Property Losses (182):		
NONE		19
Total (Acct. 182):	0	
Preliminary Survey and Investigation Charges (183):		
NONE		20
Total (Acct. 183):	0	
Clearing Accounts (184):		
NONE		21
Total (Acct. 184):	0	
Temporary Facilities (185):		
NONE		22
Total (Acct. 185):	0	
Miscellaneous Deferred Debits (186):		
Environmental cleanup expense	39,762	23
Total (Acct. 186):	39,762	
Payables to Municipality (233):		
Due to City--Other Expenses	41,224	24
Due to Sewer--Sewer billings and other expenses	212,944	25
Total (Acct. 233):	254,168	
Other Deferred Credits (253):		
Accrued sick leave liability	124,224	26
Total (Acct. 253):	124,224	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	8,198,168	0	0	0	8,198,168	1
Materials and Supplies	47,139	0	0	0	47,139	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	2,641,095	0	0	0	2,641,095	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	1,814,791	0	0	0	1,814,791	6
Other (specify):						
NONE					0	7
Average Net Rate Base	3,789,421	0	0	0	3,789,421	
Net Operating Income	281,549	0	0	0	281,549	8
Net Operating Income as a percent of Average Net Rate Base						
	7.43%	N/A	N/A	N/A	7.43%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	508,011	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	2,892,427	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	3,400,438	
Net Income		
Net Income	251,371	5
Percent Return on Proprietary Capital	7.39%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

On January 15, 1998, the Water Public Utility filed an application for a rate increase with the Public Service Commission of Wisconsin (the "PSC"). The Utility's last rate increase was in 1994. On August 6, 1998 a public hearing was held to hear arguments both for and against the rate increase. Subsequent to the public hearing, the PSC granted an overall rate increase of 12%, which was intended to provide a rate of return of 7.50%. The increase will become effective once the water tower project is completed in the spring of 1999.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Income Statement Account Details (Page F-02)

The Interest Income (A/C: 419) and Interest on Debt to Municipality (A/C: 430) and Interest on increased substantially in 1998 due to \$1.8 million in borrowings receiving interest for a full year in 1998

Balance Sheet End-of-Year Account Balances (Page F-19)

Account 186 - deferred debits

This account consists of costs related to tank removal. The Utility expects to be reimbursed from the State of Wisconsin PECFA fund. The Utility was instructed by the PSC to accumulate these costs as deferred debits.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

Dear Ms. Engelke:

This is to confirm receipt of your email dated May 13th. The Utility will include the depreciation rate as authorized for Account 396 in our accounting procedures.

Regarding the testing of the 8" industrial meter, this meter is only used on a temporary basis when one section of the plant is shut down. The Company is currently evaluating plant procedures ; and this meter will either be replaced or removed in 1999.

Thank You for your comments and I will now consider the 1998 review closed.

Sincerely,

Ruth Wisniewski, Superintendent

Dear Ms. Wisniewski:

We have reviewed the 1998 annual report for South Milwaukee. You did a good job completing your annual report and the two following comments will close our review:

1. Page W-8, line 41, column C, reports a \$51,205 addition to Account 396, Power Operated Equipment. This is an account which was previously not used by the water utility. A depreciation rate of 6.07 percent is authorized for Account 396, effective January 1, 1999. The depreciation rate of 6.07 percent is based upon service life of 14 years and net salvage of 15 percent

2. During our review, we noted that your 8" industrial meter reported on the Meters schedule, has not been reported tested in either 1997 or 1998. Wisconsin Administrative Code PSC 185.76 requires an annual test of an 8" meter. If this 8" meter becomes inaccurate, considerable revenues are lost. During 1999, we advise the utility test (or replace) its 8" meter to become compliant with PSC 185.76

Thank you for your cooperation with these matters. Please confirm receipt of this email. You may consider your 1998 review closed.

Sincerely,

Elaine Engelke
Financial Specialist

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	1,591,164	1
Total Sales of Water	1,591,164	
Other Operating Revenues		
Forfeited Discounts (470)	14,137	2
Miscellaneous Service Revenues (471)	0	3
Rents from Water Property (472)	0	4
Interdepartmental Rents (473)	0	5
Other Water Revenues (474)	42,668	6
Amortization of Construction Grants (475)	0	7
Total Other Operating Revenues	56,805	
Total Operating Revenues	1,647,969	
Operation and Maintenance Expenses		
Source of Supply Expense (600-617)	0	8
Pumping Expenses (620-633)	198,190	9
Water Treatment Expenses (640-652)	249,785	10
Transmission and Distribution Expenses (660-678)	237,145	11
Customer Accounts Expenses (901-905)	52,625	12
Sales Expenses (910)	0	13
Administrative and General Expenses (920-932)	258,333	14
Total Operation and Maintenance Expenses	996,078	
Other Operating Expenses		
Depreciation Expense (403)	172,143	15
Amortization Expense (404-407)		16
Taxes (408)	198,199	17
Total Other Operating Expenses	370,342	
Total Operating Expenses	1,366,420	
NET OPERATING INCOME	281,549	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial	0	0	0	3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	5,786	421,596	827,351	4
Commercial	525	153,531	225,010	5
Industrial	30	129,179	153,028	6
Total Metered Sales to General Customers (461)	6,341	704,306	1,205,389	
Private Fire Protection Service (462)	24		11,633	7
Public Fire Protection Service (463)	1		321,548	8
Other Sales to Public Authorities (464)	46	38,738	52,594	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	6,412	743,044	1,591,164	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------	----------------------------------	--	-------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	321,548	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify): NONE		4
Total Public Fire Protection Service (463)	321,548	
Forfeited Discounts (470):		
Customer late payment charges	14,137	5
Other (specify): NONE		6
Total Forfeited Discounts (470)	14,137	
Miscellaneous Service Revenues (471):		
NONE		7
Total Miscellaneous Service Revenues (471)	0	
Rents from Water Property (472):		
NONE		8
Total Rents from Water Property (472)	0	
Interdepartmental Rents (473):		
NONE		9
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	13,275	10
Other (specify): Miscellaneous service charges for repairs	29,393	11
Total Other Water Revenues (474)	42,668	
Amortization of Construction Grants (475):		
NONE		12
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
SOURCE OF SUPPLY EXPENSES		
Operation Supervision and Engineering (600)		1
Operation Labor and Expenses (601)		2
Purchased Water (602)		3
Miscellaneous Expenses (603)		4
Rents (604)		5
Maintenance Supervision and Engineering (610)		6
Maintenance of Structures and Improvements (611)		7
Maintenance of Collecting and Impounding Reservoirs (612)		8
Maintenance of Lake, River and Other Intakes (613)		9
Maintenance of Wells and Springs (614)		10
Maintenance of Infiltration Galleries and Tunnels (615)		11
Maintenance of Supply Mains (616)		12
Maintenance of Miscellaneous Water Source Plant (617)		13
Total Source of Supply Expenses	0	
PUMPING EXPENSES		
Operation Supervision and Engineering (620)	12,935	14
Fuel for Power Production (621)		15
Power Production Labor and Expenses (622)		16
Fuel or Power Purchased for Pumping (623)	54,717	17
Pumping Labor and Expenses (624)	102,735	18
Expenses Transferred--Credit (625)		19
Miscellaneous Expenses (626)	26,759	20
Rents (627)		21
Maintenance Supervision and Engineering (630)		22
Maintenance of Structures and Improvements (631)		23
Maintenance of Power Production Equipment (632)	347	24
Maintenance of Pumping Equipment (633)	697	25
Total Pumping Expenses	198,190	
WATER TREATMENT EXPENSES		
Operation Supervision and Engineering (640)	12,935	26
Chemicals (641)	37,158	27

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
WATER TREATMENT EXPENSES		
Operation Labor and Expenses (642)	157,333	28
Miscellaneous Expenses (643)	20,902	29
Rents (644)		30
Maintenance Supervision and Engineering (650)		31
Maintenance of Structures and Improvements (651)	2,600	32
Maintenance of Water Treatment Equipment (652)	18,857	33
Total Water Treatment Expenses	249,785	
 TRANSMISSION AND DISTRIBUTION EXPENSES		
Operation Supervision and Engineering (660)	13,331	34
Storage Facilities Expenses (661)	172	35
Transmission and Distribution Lines Expenses (662)	11,651	36
Meter Expenses (663)	11,712	37
Customer Installations Expenses (664)	12,833	38
Miscellaneous Expenses (665)	8,596	39
Rents (666)		40
Maintenance Supervision and Engineering (670)		41
Maintenance of Structures and Improvements (671)		42
Maintenance of Distribution Reservoirs and Standpipes (672)	395	43
Maintenance of Transmission and Distribution Mains (673)	113,184	44
Maintenance of Fire Mains (674)		45
Maintenance of Services (675)	41,794	46
Maintenance of Meters (676)	2,915	47
Maintenance of Hydrants (677)	9,421	48
Maintenance of Miscellaneous Plant (678)	11,141	49
Total Transmission and Distribution Expenses	237,145	
 CUSTOMER ACCOUNTS EXPENSES		
Supervision (901)		50
Meter Reading Labor (902)	25,966	51
Customer Records and Collection Expenses (903)	26,659	52
Uncollectible Accounts (904)		53

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 15 percent, but not less than \$10,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
CUSTOMER ACCOUNTS EXPENSES		
Miscellaneous Customer Accounts Expenses (905)		54
Total Customer Accounts Expenses	52,625	
 SALES EXPENSES		
Sales Expenses (910)		55
Total Sales Expenses	0	
 ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and General Salaries (920)	53,458	56
Office Supplies and Expenses (921)	2,873	57
Administrative Expenses Transferred--Credit (922)		58
Outside Services Employed (923)	13,000	59
Property Insurance (924)	12,065	60
Injuries and Damages (925)	12,567	61
Employee Pensions and Benefits (926)	144,207	62
Regulatory Commission Expenses (928)	8,103	63
Duplicate Charges--Credit (929)		64
Miscellaneous General Expenses (930)	6,734	65
Rents (931)		66
Maintenance of General Plant (932)	5,326	67
Total Administrative and General Expenses	258,333	
 Total Operation and Maintenance Expenses	 996,078	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		175,000	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		5,370	2
Net property tax equivalent		169,630	
Social Security		39,917	3
PSC Remainder Assessment		2,933	4
Other (specify): Overpayment of prior year tax equivalent		(14,281)	5
Total tax expense		198,199	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Milwaukee				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.214200				3
County tax rate	mills		6.062900				4
Local tax rate	mills		8.643900				5
School tax rate	mills		10.549300				6
Voc. school tax rate	mills		2.135000				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		27.605300				10
Less: state credit	mills		2.157700				11
Net tax rate	mills		25.447600				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		8.643900				14
Combined School Tax Rate	mills		12.684300				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.328200				17
Total Tax Rate	mills		27.605300				18
Ratio of Local and School Tax to Total	dec.		0.772613				19
Total tax net of state credit	mills		25.447600				20
Net Local and School Tax Rate	mills		19.661134				21
Utility Plant, Jan. 1	\$	8,055,653	8,055,653				22
Materials & Supplies	\$	50,780	50,780				23
Subtotal	\$	8,106,433	8,106,433				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	8,106,433	8,106,433				26
Assessment Ratio	dec.		0.937945				27
Assessed Value	\$	7,603,388	7,603,388				28
Net Local & School Rate	mills		19.661134				29
Tax Equiv. Computed for Current Year	\$	149,491	149,491				30
Tax Equivalent per 1994 PSC Report	\$	175,000					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32 33
Tax equiv. for current year (see note 6)	\$	175,000					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	110,921		7
Wells and Springs (314)	0		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	110,921	0	
PUMPING PLANT			
Land and Land Rights (320)	2,400		12
Structures and Improvements (321)	167,317		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	499,842		17
Diesel Pumping Equipment (326)	0	592	18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	135,222		20
Total Pumping Plant	804,781	592	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	256,131		22
Water Treatment Equipment (332)	1,834,088		23
Total Water Treatment Plant	2,090,219	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	6,000		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			110,921	7
Wells and Springs (314)			0	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	110,921	
PUMPING PLANT				
Land and Land Rights (320)			2,400	12
Structures and Improvements (321)			167,317	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			499,842	17
Diesel Pumping Equipment (326)			592	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			135,222	20
Total Pumping Plant	0	0	805,373	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			256,131	22
Water Treatment Equipment (332)			1,834,088	23
Total Water Treatment Plant	0	0	2,090,219	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			6,000	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$100,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	235,003		26
Transmission and Distribution Mains (343)	2,857,838	131,282	27
Fire Mains (344)	0		28
Services (345)	552,669	7,570	29
Meters (346)	467,996	38,857	30
Hydrants (348)	266,921	37,637	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	4,386,427	215,346	
GENERAL PLANT			
Land and Land Rights (389)	0		33
Structures and Improvements (390)	282,707		34
Office Furniture and Equipment (391)	21,661	4,205	35
Computer Equipment (391.1)	98,519		36
Transportation Equipment (392)	72,187	18,577	37
Stores Equipment (393)	212		38
Tools, Shop and Garage Equipment (394)	51,084	1,500	39
Laboratory Equipment (395)	6,036		40
Power Operated Equipment (396)	0	51,205	41
Communication Equipment (397)	120,515	516	42
SCADA Equipment (397.1)	10,384	3,790	43
Miscellaneous Equipment (398)	0		44
Other Tangible Property (399)	0		45
Total General Plant	663,305	79,793	
Total utility plant in service directly assignable	8,055,653	295,731	
Common Utility Plant Allocated to Water Department	0		46
Total utility plant in service	8,055,653	295,731	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			235,003 26
Transmission and Distribution Mains (343)			2,989,120 27
Fire Mains (344)			0 28
Services (345)	2,200		558,039 29
Meters (346)	6,660		500,193 30
Hydrants (348)	562		303,996 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	9,422	0	4,592,351
GENERAL PLANT			
Land and Land Rights (389)			0 33
Structures and Improvements (390)			282,707 34
Office Furniture and Equipment (391)			25,866 35
Computer Equipment (391.1)		(1,278)	97,241 36
Transportation Equipment (392)			90,764 37
Stores Equipment (393)			212 38
Tools, Shop and Garage Equipment (394)			52,584 39
Laboratory Equipment (395)			6,036 40
Power Operated Equipment (396)			51,205 41
Communication Equipment (397)			121,031 42
SCADA Equipment (397.1)			14,174 43
Miscellaneous Equipment (398)			0 44
Other Tangible Property (399)			0 45
Total General Plant	0	(1,278)	741,820
Total utility plant in service directly assignable	9,422	(1,278)	8,340,684
Common Utility Plant Allocated to Water Department			0 46
Total utility plant in service	9,422	(1,278)	8,340,684

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
 2. If more than one depreciation rate is used, report the average rate in column (c).

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	
SOURCE OF SUPPLY PLANT				
Structures and Improvements (311)	0			1
Collecting and Impounding Reservoirs (312)	0			2
Lake, River and Other Intakes (313)	59,474	2.00%	2,219	3
Wells and Springs (314)	0			4
Infiltration Galleries and Tunnels (315)	0			5
Supply Mains (316)	0			6
Other Water Source Plant (317)	0			7
Total Source of Supply Plant	59,474		2,219	
PUMPING PLANT				
Structures and Improvements (321)	84,592	2.43%	4,065	8
Boiler Plant Equipment (322)	0			9
Other Power Production Equipment (323)	0			10
Steam Pumping Equipment (324)	0			11
Electric Pumping Equipment (325)	235,806	3.53%	17,644	12
Diesel Pumping Equipment (326)	0	4.29%	13	13
Hydraulic Pumping Equipment (327)	0			14
Other Pumping Equipment (328)	17,844	4.29%	5,801	15
Total Pumping Plant	338,242		27,523	
WATER TREATMENT PLANT				
Structures and Improvements (331)	142,337	2.50%	6,404	16
Water Treatment Equipment (332)	527,083	2.50%	45,853	17
Total Water Treatment Plant	669,420		52,257	
TRANSMISSION AND DISTRIBUTION PLANT				
Structures and Improvements (341)	0			18
Distribution Reservoirs and Standpipes (342)	176,941	1.67%	3,924	19
Transmission and Distribution Mains (343)	482,681	0.83%	24,265	20
Fire Mains (344)	0			21
Services (345)	247,871	2.00%	11,107	22
Meters (346)	83,663	5.00%	24,206	23
Hydrants (348)	72,975	1.43%	4,082	24
Other Transmission and Distribution Plant (349)	0			25
Total Transmission and Distribution Plant	1,064,131		67,584	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

Account (e)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
311					0	1
312					0	2
313					61,693	3
314					0	4
315					0	5
316					0	6
317					0	7
	0	0	0	0	61,693	
321					88,657	8
322					0	9
323					0	10
324					0	11
325					253,450	12
326					13	13
327					0	14
328					23,645	15
	0	0	0	0	365,765	
331					148,741	16
332					572,936	17
	0	0	0	0	721,677	
341					0	18
342					180,865	19
343					506,946	20
344					0	21
345	2,200				256,778	22
346	6,660	0	301		101,510	23
348	562				76,495	24
349					0	25
	9,422	0	301	0	1,122,594	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

1. Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
 2. If more than one depreciation rate is used, report the average rate in column (c).

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	
GENERAL PLANT				
Structures and Improvements (390)	81,301	3.33%	9,414	26
Office Furniture and Equipment (391)	14,885	8.33%	1,980	27
Computer Equipment (391.1)	84,863	20.00%	12,379	28
Transportation Equipment (392)	61,715	20.00%	6,736	29
Stores Equipment (393)	78	5.88%	12	30
Tools, Shop and Garage Equipment (394)	48,664	7.69%	3,920	31
Laboratory Equipment (395)	3,205	5.88%	354	32
Power Operated Equipment (396)	0	8.33%	2,133	33
Communication Equipment (397)	123,451	9.09%		34
SCADA Equipment (397.1)	3,670	8.33%	1,023	35
Miscellaneous Equipment (398)	0			36
Other Tangible Property (399)	0			37
Total General Plant	421,832		37,951	
Total accum. prov. directly assignable	2,553,099		187,534	
 Common Utility Plant Allocated to Water Department	 0			 38
 Total accum. prov. for depreciation	 2,553,099		 187,534	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

Account (e)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
390					90,715	26
391					16,865	27
391.1					97,242	28
392					68,451	29
393					90	30
394					52,584	31
395					3,559	32
396					2,133	33
397				(2,420)	121,031	34
397.1					4,693	35
398					0	36
399					0	37
	0	0	0	(2,420)	457,363	
	9,422	0	301	(2,420)	2,729,092	
					0	38
	9,422	0	301	(2,420)	2,729,092	

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January		72,282		72,282	1
February		64,511		64,511	2
March		71,404		71,404	3
April		68,962		68,962	4
May		79,509		79,509	5
June		85,485		85,485	6
July		107,818		107,818	7
August		95,176		95,176	8
September		85,316		85,316	9
October		76,177		76,177	10
November		70,004		70,004	11
December		72,913		72,913	12
Total for year	0	949,557	0	949,557	
Less: Measured or estimated water used in main flushing and water treatment during year				34,130	13
Less: Other utility use				1,078	14
Other utility use explanation:					15
Utility water usage at the plant					
Water pumped into distribution system				914,349	16
Less: Water sold				743,044	17
Losses and unaccounted for				171,305	18
Percent unaccounted for to the nearest whole percent (%)				19%	19
If more than 15%, indicate causes and state what action has been taken to reduce water loss:					20
Causes: illegal use of hydrants, possibly underestimate of main breaks, unmetered utility usage.					
Action: install meters at utility, continued control of hydrant usage					
Maximum gallons pumped by all methods in any one day during reporting year				5,086	21
Date of maximum: 7/14/1998					22
Cause of maximum:					23
Warm dry weather, Hydrant flushing					
Minimum gallons pumped by all methods in any one day during reporting year				2,021	24
Date of minimum: 3/12/1998					25
Total KWH used for pumping for the year				995,955	26
If water is purchased: Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)
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NONE

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes				
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)	
INTAKE - LAKE MICHIGAN	1	3,000	35	24	1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	LAKE 1	LAKE 2	LAKE 3	1
Location	1	2	3	2
Purpose	P	P	P	3
Destination	T	T	T	4
Pump Manufacturer	WORTHINGTON	PEERLESS	PEERLESS	5
Year Installed	1957	1957	1957	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	2,400	1,900	1,900	8
Pump Motor or Standby Engine Mfr	L ALLIS	L ALLIS	L ALLIS	10
Year Installed	1957	1957	1957	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	40	40	40	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	LAKE 4	RESERVOIR 1	RESERVOIR 4	14
Location	4	1	4	15
Purpose	P	P	P	16
Destination	T	R	D	17
Pump Manufacturer	PEERLESS	A CHALMERS	BJ	18
Year Installed	1964	1938	1964	19
Type	VERTICAL TURBINE	CENTRIFUGAL	CENTRIFUGAL	20
Actual Capacity (gpm)	3,200	2,431	4,000	21
Pump Motor or Standby Engine Mfr	L ALLIS	AC	U.S.	23
Year Installed	1957	1938	1992	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	40	200	300	26

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	RESERVOIR 5	RESERVOIR 6	RESERVOIR 8	1
Location	5	6	8	2
Purpose	P	P	P	3
Destination	T	T	D	4
Pump Manufacturer	A CHALMERS	A CHALMERS	BJ	5
Year Installed	1937	1937	1992	6
Type	CENTRIFUGAL	CENTRIFUGAL	VERTICAL TURBINE	7
Actual Capacity (gpm)	2,800	2,800	1,500	8
Pump Motor or Standby Engine Mfr	AC	AC	US	9 10
Year Installed	1937	1937	1992	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	40	40	125	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	RESERVOIR 9			14
Location	9			15
Purpose	P			16
Destination	D			17
Pump Manufacturer	BJ			18
Year Installed	1992			19
Type	VERTICAL TURBINE			20
Actual Capacity (gpm)	1,700			21
Pump Motor or Standby Engine Mfr	US			22 23
Year Installed	1992			24
Type	ELECTRIC			25
Horsepower	150			26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification number or name	CLEAR WELL	CLEAR WELL 2	ELEVATED	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	S	3
Year constructed	1926	1958	1947	4
Primary material (earthen, steel, concrete, other)	CONCRETE	CONCRETE	STEEL	5
Elevation difference in feet (See Headnote 3.)	0	0	240	6
Total capacity in gallons	1,000,000	1,500,000	500,000	7
WATER TREATMENT PLANT				8
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID			9
Points of application (wellhouse, central facilities, booster station, other)	OTHER			10
Filters, type (gravity, pressure, other, none)	OTHER			11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	8.0000			12
Is a corrosion control chemical used (yes, no)?	Y			13
Is water fluoridated (yes, no)?	Y			14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

								Number of Feet	
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)		
M	D	4.000	4,918	0	0	0	4,918	1	
M	D	6.000	218,992	0	0	0	218,992	2	
P	D	6.000	1,328	0	0	0	1,328	3	
M	D	8.000	60,056	0	0	0	60,056	4	
P	D	8.000	10,119	1,635	0	0	11,754	5	
M	D	10.000	13,377	0	0	0	13,377	6	
M	D	12.000	35,407	0	0	0	35,407	7	
P	D	12.000	1,597	680	0	0	2,277	8	
M	D	16.000	1,249	0	0	0	1,249	9	
P	D	16.000	3,074	0	0	0	3,074	10	
M	D	20.000	4,956	0	0	0	4,956	11	
Total Within Municipality			355,073	2,315	0	0	357,388		
Total Utility			355,073	2,315	0	0	357,388		

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
L	0.625	817	0	2	0	815		1
L	0.750	1,230	0	4	0	1,226		2
M	0.750	3,261	0	0	0	3,261		3
M	1.000	412	3	1	0	414		4
P	1.250	3	0	0	0	3		5
M	1.500	10	0	0	0	10		6
M	2.000	60	1	1	0	60		7
M	3.000	23	0	0	0	23		8
M	4.000	13	0	0	0	13		9
M	6.000	12	0	0	0	12		10
M	8.000	3	0	0	0	3		11
Total Utility		5,844	4	8	0	5,840	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (a).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	6,176	408	314	0	6,270	846	1
0.750	155	12	7	0	160	8	2
1.000	59	0	1	0	58	0	3
1.250	15	0	0	0	15	0	4
1.500	106	0	1	0	105	4	5
2.000	42	0	2	0	40	9	6
3.000	14	0	0	0	14	1	7
4.000	10	0	0	0	10	4	8
6.000	4	0	0	0	4	2	9
8.000	1	0	0	0	1	0	10
Total:	6,582	420	325	0	6,677	874	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	5,760	265	10	10	0	225	6,270	1
0.750	36	103	4	3	0	14	160	2
1.000	5	44	1	2	0	6	58	3
1.250	0	15	0	0	0	0	15	4
1.500	0	90	2	7	0	6	105	5
2.000	0	12	3	14	0	11	40	6
3.000	0	2	2	8	0	2	14	7
4.000	0	0	6	4	0	0	10	8
6.000	0	0	2	2	0	0	4	9
8.000	0	0	1	0	0	0	1	10
Total:	5,801	531	31	50	0	264	6,677	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	650	10	6		654	2
Total Fire Hydrants	650	10	6	0	654	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	581
Number of distribution system valves end of year:	984
Number of distribution valves operated during year:	620

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Maintenance of treatment equipment (A/C: 652): Expenses increase in this account because sludge removal and hauling was done twice during the year and repairs of approximately \$3000 were made to the raw well pump.

Customer installation expense (A/C: 663): Expenses decreased because the Utility allocated a portion of these costs to the Sewer Enterprise fund as part of the shared meter and billing costs.

Maintenance of Distribution Reservoirs and Standpipes (A/C: 672): Water tank painting was completed in 1997.

Maintenance of Transmission and Distribution Mains (A/C: 673): Expenses decreased due to a decrease in water main breaks during 1998. There were a total of 19 breaks in 1998 compared to 26 in 1997.

Maintenance of Hydrants (A/C: 677): The Utility used a newly acquired backhoe to reduce the labor hours involved in repairing and replacing fire hydrants.

Outside Service Employed (A/C: 923) In 1997 the Utility underwent a billing system conversion, participated in an optimization study, hired a diver, and paid a computer consultant which lead to more expenses in 1997 than usual.

Water Utility Plant in Service (Page W-08)

The adjustment for Computer Equipment (391.1) resulted from an adjustment to the amount billed and recorded as accounts payable in 1997.

Accumulated Provision for Depreciation - Water (Page W-10)

Communication equipment was over depreciated in prior years, therefore an adjustment for \$2,420 was made to decrease accumulated depreciation to agree with historical cost.

Water Mains (Page W-17)

Mains added during 1998 were financed by special assessments to property owners (levied and recorded on the City's books) and from construction and operating funds on hand for the non-assessable portion.
